

Pebble Beach Systems Group plc

Trading Update and Improved Outlook

Pebble Beach Systems Group plc (AIM: "PEB", "Pebble" or the "Group"), a leading global software business specialising in playout automation, content management and IP Control solutions for the broadcast and streaming service markets, is pleased to provide the following trading update for the year ended 31 December 2023 ("FY23").

FY23 Trading Update

The Board was encouraged by the resilient performance of the business during 2023. Following a strong second half performance, we expect to report FY23 trading ahead of current market forecasts, with revenue of approximately £12.4m (FY22: £11.2m) and Adjusted EBITDA* of approximately £3.8m (FY22: £3.3m). The revenue generated by the business includes Recurring Revenue** of approximately £5.2m (FY22: £4.6m), growth of 13% in the period.

In line with the previous year, project orders improved significantly in H2 and were 84% higher in H2 than H1. This included significant wins in APAC, Europe and North America in H2 which the Group was also able to deliver in the period giving Pebble a strong end to the year for revenue.

The strong cash generation of the Group enabled it to not only make further investment into its product development but also to continue to reduce its indebtedness. In the year, the Group reduced gross bank debt by £1.0m, and we expect to report net debt at 31 December 2023 of £4.8m (FY22: £5.8m).

Outlook FY24 and Beyond

The Board expect the rate of growth in our Recurring Revenue delivered in FY23 to continue through FY24 as a result of customers in implementation going live, new customer wins, increased software usage and underlying inflationary rises in our contracts.

Throughout the year, the Group has continued to invest in developing its product range and is looking forward to launching new products in FY24.

As a result of the growth in Recurring Revenues and the benefits the Board are expecting to be delivered from the Group's new product launches, the Board now expects FY24 trading to be ahead of current market forecasts and that this will be a platform for further growth in FY25 and beyond.

The Board looks forward to providing a further update in the Group's audited results for the year ended 31 December 2023, the release date of which will be announced in due course.

John Varney, Non-Executive Chairman, commented:

"I am immensely proud of our excellent FY23 results. Despite the challenging global macro environment, characterised by high interest rates, rising inflation, and geopolitical tension, the Group has not only delivered on its strategy, it has also successfully strengthened its recurring revenue, giving the Board confidence in our long-term financial health and the opportunities being presented for considerable profitability".

*Adjusted EBITDA, a non-GAAP measure, is profit before depreciation, the amortisation and impairment of goodwill and acquired intangibles, the amortisation of capitalised development costs, non-recurring items and foreign exchange gains and losses.

** *Recurring Revenue, a non-GAAP measure, is the value of the Group's recurring revenue in the year from support and maintenance and subscription arrangements within its contracts.*

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") and is disclosed in accordance with the company's obligations under Article 17 of MAR

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The Group's Nominated Adviser and Broker, finnCap Ltd, has now changed its name to Cavendish Capital Markets Limited following completion of its own corporate merger.

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